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(CREATED PURSUANT TO SEC. 5(a) OF PUBLIC LAW 304, 79TH CONGRESS)

February 2, 1988

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**JUDITH DAVISON,  
EXECUTIVE DIRECTOR**

It may be helpful to you for me to indicate some of the areas of interest to the Subcommittee. I would like a review of Soviet economic performance in 1987 together with an overall assessment of Gorbachev's initiatives to restructure the Soviet economy. My understanding is that economic performance was poor last year in most sectors, with the possible exceptions of agriculture and energy. What effects will poor performance, especially in industry, have on the targets in the current Five-Year Plan? Is there any evidence that Gorbachev is retreating or modifying his plans to restructure the economy? What is the current assessment of the modernization program?

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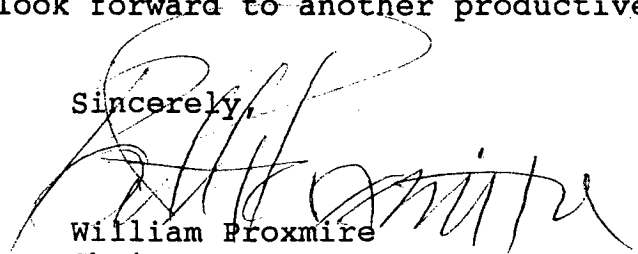
Hon. William H. Webster  
February 2, 1988  
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I would like a full discussion of Soviet defense spending and related issues. Is it possible to assess Gorbachev's defense policies and the changes he has introduced? Please provide a breakdown, on an unclassified basis, of Soviet defense allocations along functional lines, including strategic offense, strategic defense, conventional forces, naval forces, and tactical air forces, so that we can understand the recent trends. Is there evidence of any significant reductions or increases in spending or deployments in any of these areas or in any regions of the world? Is there any evidence of a shift in priorities as between defense and civilian allocations?

I am also interested in trade issues. Please discuss recent developments in the Soviet trade sector and relations with the United States, Western Europe, and other regions of the world, including China. Does Gorbachev perceive the United States as imposing a "technological blockade" on the Soviet Union, and if so how much importance does he place on "breaking" the blockade? To what extent has the USSR been able to obtain Western technology controlled by the United States from other sources? Does the lack of access to Western technology constitute a substantial constraint on Soviet economic development and growth? Is it likely that the recent US-USSR summit and other developments will lead to greater Soviet access to Western technology? What significance do you place on the Soviet efforts to enter into joint ventures? Are the Soviets likely to pursue efforts to join international institutions, such as GATT and IMF, and what is the significance of their initiatives in this direction.

I am deeply appreciative of the efforts that go into these preparations, and I look forward to another productive exchange.

Sincerely,



William Proxmire  
Chairman  
Subcommittee on National  
Security Economics

WP:rkt